



Health Service
LOS ANGELES COUNT

September 30, 2008

**Los Angeles County
Board of Supervisors**

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Interim Director

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TO: Each Supervisor

FROM: John F. Schunhoff, Ph.D. 
Interim Director

SUBJECT: **DHS PARTICIPATION IN MEDICARE MODERNIZATION
ACT (MMA) SECTION 1011 PROGRAM**

On January 19, 2006, the Department submitted its first status report on our progress to enroll and participate in the MMA Section 1011 program which provides partial federal reimbursement for emergency services provided to undocumented immigrants. This is the latest in a series of periodic reports to inform your Board of our participation in this program.

On August 27, 2008, the Department received approximately \$2.0 million in reimbursement for Section 1011 program services provided during the First Quarter of Federal Fiscal Year (FFY) 2008. Total Section 1011 program reimbursement to date (for the ten participating quarters) exceeds \$20.9 million. Please see the attached Section 1011 billing and reimbursement schedule for more information.

As discussed in our previous report, the Department received a notice from the CMS fiscal intermediary, TrailBlazer Health Enterprises, LLC (TrailBlazer) that they had launched a 100% audit of the claims the Department submitted for the First Quarter FFY 2008. In working with County Counsel and outside legal counsel the Department was successful in reducing the audit request. Any change in TrailBlazer's audit activities will be noted in a future report.

The Section 1011 program is scheduled to terminate September 30, 2008 unless Congress approves an extension. The Department will continue its billing activities through March 30, 2009 which is the payment date for eligible services provided for the Fourth Quarter of FFY 2008 (last participating quarter). The Department is aware that California's Section 1011 yearly allocations have not been fully expended and we are working with counsel to determine the possibility of extending participation until all allocated funds have been spent.

The Department is continuing its work with County Counsel and outside legal counsel to determine the impact of Medi-Cal Redesign on receipt of Section 1011 reimbursement. It is our understanding that State representatives are working toward developing a clearer policy statement on this matter and we will advise the Board as soon as such a policy statement is issued.

The Department will continue to provide periodic reports to the Board on its participation in the Section 1011 program.

Please let me know if you have questions or require additional information.

JFS:lg (1FORDIMMA SEC 1011BOARD STATUS REPORTSFINAL REPORTSSTATUS REPORT NO. 13 (09-30-08)
610:001

Attachment

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES
MMA SECTION 1011 BILLING AND REIMBURSEMENT SUMMARY
Fourth Quarter FFY 2005 – Fourth Quarter FFY 2007
(Dates of Service July 1, 2005 through September 30, 2007)

Federal Fiscal Year (Quarter)	Dates of Service	Total Claims Submitted	Total Gross Charges (Billed)	Total Billed Days	Average Reimbursement/Claim	Payment Date	Total Reimbursement¹
Fourth Quarter FFY 2005	July 1, 2005 to September 30, 2005	903	\$12,412,965	1,683	\$2,619	May 29, 2006	\$2,364,836 ²
First Quarter FFY 2006	October 1, 2005 to December 30, 2005	1,417	\$15,225,675	2,194	\$1,705	August 28, 2006	\$2,416,185 ²
Second Quarter FFY 2006	January 1, 2006 to March 31, 2006	1,048	\$11,930,683	1,714	\$2,974	November 27, 2006	\$3,117,348 ²
Third Quarter FFY 2006	April 1, 2006 to June 30, 2006	921	\$13,366,513	1,826	\$3,466	February 26, 2007	\$3,191,822 ²
Fourth Quarter FFY 2006	July 1, 2006 to September 30, 2006	838	\$ 9,747,851	1,449	\$2,499	May 28, 2007	\$2,094,219 ²
First Quarter FFY 2007	October 1, 2006 to December 31, 2006	467	\$ 5,851,230	818	\$2,765	August 28, 2007	\$1,291,042 ²
Second Quarter FFY 2007	January 1, 2007 to March 31, 2007	440	\$ 6,169,519	830	\$2,752	November 26, 2007	\$1,210,679 ²
Third Quarter FFY 2007	April 1, 2007 to June 30, 2007	679	\$8,693,288	1,223	\$2,383	February 25, 2008	\$1,618,228 ²
Fourth Quarter FFY 2007	July 1, 2007 to September 30, 2007	605	\$7,602,583	1,094	\$2,650	May 27, 2008	\$1,603,430 ²
First Quarter FFY 2008	October 1, 2007 to December 31, 2007	809	\$9,240,400	1,414	\$2,438	August 27, 2008	\$1,972,106 ²
Total-to-Date		8,127	\$100,240,707	14,245	\$2,327	Total all Quarters	\$20,879,895³

1. Reimbursement (includes both hospital and psychiatric ER services) is based on a combined Medicare Cost Report-TrailBlazer methodology which has provided an average reimbursement rate to date of 20.83%

2. Paid claims are subject to eligibility compliance and medical review that can result in repayment of a paid claim denied by TrailBlazer as part of its compliance and medical review final determination process

3. If it is determined that provisions of the proposed State-Medi-Cal-Redesign (or other reform-proposals) preclude claiming for Section 1011 services the Department will make arrangements to return some or all of the Section 1011 payments received